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## ABSTRACT OF THE DISCLOSURE

Elastomer-modified Epoxy-polysiloxane compositions of this invention are prepared by combining a silicone intermediate, with elastomeric resinous epoxy resin, an intermediate. polyfunctional amine, an optional organometallic catalyst, and pigments, and processing agents. fillers, composition is prepared using a sufficient amount of water to promote hydrolysis of the polysiloxane and the polycondensation of the silanols produced by such hydrolysis. In its cured form, the epoxy-polysiloxane composition exists as a uniformly dispersed arrangement of linear epoxy chain fragments that are cross-linked with a continuous polysiloxane polymer chain, wherein either or both of the epoxy and/or polysiloxane polymers are elastomer modified to provide coatings and floorings having significantly improved properties of impact resistance, flexibility, crack resistance, and abrasion resistance with compared to conventional epoxy systems.

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